

## Securities and Exchange Commission

## §210.6-10

of the total shown under this caption shall be stated separately.

2. *Investment expenses.* (a) State separately the total amount of investment advisory, management and service fees, and expenses in connection with research, selection, supervision, and custody of investments. Amounts of expenses incurred from transactions with affiliated persons shall be disclosed together with the identity of and related amount applicable to each such person accounting for five percent or more of the total expenses shown under this caption together with a description of the nature of the affiliation. Expenses incurred within the person's own organization in connection with research, selection and supervision of investments shall be stated separately. Reductions or reimbursements of management or service fees shall be shown as a negative amount or as a reduction of total expenses shown under this caption.

(b) State separately any other expense item the amount of which exceeds five percent of the total expenses shown under this caption.

(c) A note to the financial statements shall include information concerning management and service fees, the rate of fee, and the base and method of computation. State separately the amount and a description of any fee reductions or reimbursements representing: (1) Expense limitation agreements or commitments; and (2) offsets received from broker-dealers showing separately for each amount received or due from: (i) Unaffiliated persons; and (ii) affiliated persons. If no management or service fees were incurred for a period, state the reason therefor.

(d) If any expenses were paid otherwise than in cash, state the details in a note.

(e) State in a note to the financial statements the amount of brokerage commissions (including dealer markups) paid to affiliated broker-dealers in connection with purchase and sale of investment securities.

3. *Interest and amortization of debt discount and expense.*

4. *Provision for certificate reserves.* State separately any provision for additional credits, or dividends, or interests, in addition to the minimum maturity or face amount specified in the certificates. State also in an appropriate manner reserve recoveries from surrenders or other causes.

5. *Investment income before income tax expense.*

6. *Income tax expense.* Include under this caption only taxes based on income.

7. *Investment income-net.*

8. *Realized gain (loss) on investments-net.*

(a) State separately the net realized gain or loss on transactions in: (1) Investment securities of unaffiliated issuers, (2) investment securities of affiliated issuers, and (3) other investments.

(b) Distributions of capital gains by other investment companies shall be shown separately under this caption.

(c) State separately any: (1) Federal income taxes and (2) other income taxes applicable to realized gain (loss) on investments, distinguishing taxes payable currently from deferred income taxes.

9. *Net income or loss.*

### §210.6-09 Statements of changes in net assets.

Statements of changes in net assets filed for persons to whom this article is applicable shall comply with the following provisions:

#### STATEMENTS OF CHANGES IN NET ASSETS

1. *Operations.* State separately: (a) Investment income-net as shown by §210.6-07.6; (b) realized gain (loss) on investments-net of any Federal or other income taxes applicable to such amounts; (c) increase (decrease) in unrealized appreciation or depreciation-net of any Federal or other income taxes applicable to such amounts; and (d) net increase (decrease) in net assets resulting from operations as shown by §210.6-07.9.

2. *Net equalization charges and credits.* State the net amount of accrued undivided earnings separately identified in the price of capital shares issued and repurchased.

3. *Distributions to shareholders.* State separately distributions to shareholders from: (a) Investment income-net; (b) realized gain from investment transactions-net; and (c) other sources.

4. *Capital share transactions.* (a) State the increase or decrease in net assets derived from the net change in the number of outstanding shares or units.

(b) Disclose in the body of the statements or in the notes, for each class of the person's shares, the number and value of shares issued in reinvestment of dividends as well as the number of dollar amounts received for shares sold and paid for shares redeemed.

5. *Total increase (decrease).*

6. *Net assets at the beginning of the period.*

7. *Net assets at the end of the period.* Disclose parenthetically the balance of undistributed net investment income included in net assets at the end of the period.

### §210.6-10 What schedules are to be filed.

(a) When information is required in schedules for both the person and its subsidiaries consolidated, it may be presented in the form of a single schedule, provided that items pertaining to the registrant are separately shown and that such single schedule affords a properly summarized presentation of

the facts. If the information required by any schedule (including the notes thereto) is shown in the related financial statement or in a note thereto without making such statement unclear or confusing, that procedure may be followed and the schedule omitted.

(b) The schedules shall be examined by an independent accountant if the related financial statements are so examined.

(c) *Management investment companies.* Except as otherwise provided in the applicable form: (1) The schedules specified below in this rule shall be filed for management investment companies as of the dates of the most recent audited balance sheet and any subsequent unaudited statement being filed for each person or group.

*Schedule I—Investments in securities of unaffiliated issuers.* The schedule prescribed by §210.12-12 shall be filed in support of caption 1 of each balance sheet.

*Schedule II—Investments—other than securities.* The schedule prescribed by §210.12-13 shall be filed in support of caption 3 of each balance sheet. This schedule may be omitted if the investments, other than securities, at both the beginning and end of the period amount to less than one percent of the value of total investments (§210.6-04.4).

*Schedule III—Investments in and advances to affiliates.* The schedule prescribed by §210.12-14 shall be filed in support of caption 2 of each balance sheet.

*Schedule IV—Investments—securities sold short.* The schedule prescribed by §210.12-12A shall be filed in support of caption 10(a) of each balance sheet.

*Schedule V—Open option contracts written.* The schedule prescribed by §210.12-12B shall be filed in support of caption 10(b) of each balance sheet.

(d) *Unit investment trusts.* Except as otherwise provided in the applicable form:

(1) Schedules I and II, specified below in this section, shall be filed for unit investment trusts as of the dates of the most recent audited balance sheet and any subsequent unaudited statement being filed for each person or group.

(2) Schedule III, specified below in this section, shall be filed for unit investment trusts for each period for which a statement of operations is required to be filed for each person or group.

*Schedule I—Investment in securities.* The schedule prescribed by §210.12-12 shall be

filed in support of caption 1 of each balance sheet (§210.6-04).

*Schedule II—Allocation of trust assets to series of trust shares.* If the trust assets are specifically allocated to different series of trust shares, and if such allocation is not shown in the balance sheet in columnar form or by the filing of separate statements for each series of trust shares, a schedule shall be filed showing the amount of trust assets, indicated by each balance sheet filed, which is applicable to each series of trust shares.

*Schedule III—Allocation of trust income and distributable funds to series of trust shares.* If the trust income and distributable funds are specifically allocated to different series of trust shares and if such allocation is not shown in the statement of operations in columnar form or by the filing of separate statements for each series of trust shares, a schedule shall be submitted showing the amount of income and distributable funds, indicated by each statement of operations filed, which is applicable to each series of trust shares.

(e) *Face-amount certificate investment companies.* Except as otherwise provided in the applicable form:

(1) Schedules I, V and X, specified below, shall be filed for face-amount certificate investment companies as of the dates of the most recent audited balance sheet and any subsequent unaudited statement being filed for each person or group.

(2) All other schedules specified below in this section shall be filed for face-amount certificate investment companies for each period for which a statement of operations is filed, except as indicated for Schedules III and IV.

*Schedule I—Investment in securities of unaffiliated issuers.* The schedule prescribed by §210.12-21 shall be filed in support of caption 1 and, if applicable, caption 5(a) of each balance sheet. Separate schedules shall be furnished in support of each caption, if applicable.

*Schedule II—Investments in and advances to affiliates and income thereon.* The schedule prescribed by §210.12-22 shall be filed in support of captions 1 and 5(b) of each balance sheet and caption 1 of each statement of operations. Separate schedules shall be furnished in support of each caption, if applicable.

*Schedule III—Mortgage loans on real estate and interest earned on mortgages.* The schedule prescribed by §210.12-23 shall be filed in support of captions 1 and 5(c) of each balance sheet and caption 1 of each statement of operations, except that only the information required by column G and note 8 of the schedule need be furnished in support of

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statements of operations for years for which related balance sheets are not required.

*Schedule IV—Real estate owned and rental income.* The schedule prescribed by §210.12-24 shall be filed in support of captions 1 and 5(a) of each balance sheet and caption 1 of each statement of operations for rental income included therein, except that only the information required by columns H, I and J, and item "Rent from properties sold during the period" and note 4 of the schedule need be furnished in support of statements of operations for years for which related balance sheets are not required.

*Schedule V—Qualified assets on deposit.* The schedule prescribed by §210.12-27 shall be filed in support of the information required by caption 4 of §210.6-06 as to total amount of qualified assets on deposit.

*Schedule VI—Certificate reserves.* The schedule prescribed by §210.12-26 shall be filed in support of caption 7 of each balance sheet.

*Schedule VII—Valuation and qualifying accounts.* The schedule prescribed by §210.12-09 shall be filed in support of all other reserves included in the balance sheet.

[47 FR 56838, Dec. 21, 1982, as amended at 59 FR 65636, Dec. 20, 1994]

### EMPLOYEE STOCK PURCHASE, SAVINGS AND SIMILAR PLANS

#### §210.6A-01 Application of §§210.6A-01 to 210.6A-05.

(a) Sections 210.6A-01 to 210.6A-05 shall be applicable to financial statements filed for employee stock purchase, savings and similar plans.

(b) [Reserved]

[47 FR 56843, Dec. 21, 1982]

#### §210.6A-02 Special rules applicable to employee stock purchase, savings and similar plans.

The financial statements filed for persons to which this article is applicable shall be prepared in accordance with the following special rules in addition to the general rules in §§210.1-01 to 210.4-10. Where the requirements of a special rule differ from those prescribed in a general rule, the requirements of the special rule shall be met.

(a) *Investment programs.* If the participating employees have an option as to the manner in which their deposits and contributions may be invested, a description of each investment program shall be given in a footnote or otherwise. The number of employees under each investment program shall be stated.

(b) *Net asset value per unit.* Where appropriate, the number of units and the net asset value per unit shall be given by footnote or otherwise.

(c) *Federal income taxes.* (1) If the plan is not subject to Federal income taxes, a note shall so state indicating briefly the principal assumptions on which the plan relied in not making provision for such taxes.

(2) State the Federal income tax status of the employee with respect to the plan.

(d) *Valuation of assets.* The statement of financial condition shall reflect all investments at value, showing cost parenthetically. For purposes of this rule, the term *value* shall mean (1) market value for those securities having readily available market quotations and (2) fair value as determined in good faith by the trustee(s) for the plan (or by the person or persons who exercise similar responsibilities) with respect to other securities and assets.

[47 FR 56843, Dec. 21, 1982]

#### §210.6A-03 Statements of financial condition.

Statements of financial condition filed under this rule shall comply with the following provisions:

##### PLAN ASSETS

1. *Investments in securities of participating employers.* State separately each class of securities of the participating employer or employers.

2. *Investments in securities of unaffiliated issuers.*

(a) *United States Government bonds and other obligations.* Include only direct obligations of the United States Government.

(b) *Other securities.* State separately (1) marketable securities and (2) other securities.

3. *Investments. Other than securities.* State separately each major class.

4. *Dividends and interest receivable.*

5. *Cash.*

6. *Other assets.* State separately (a) total of amounts due from participating employers or any of their directors, officers and principal holders of equity securities; (b) total of amounts due from trustees or managers of the plan; and (c) any other significant amounts.

##### LIABILITIES AND PLAN EQUITY

7. *Liabilities.* State separately (a) total of amounts payable to participating employers; (b) total of amounts payable to participating